

CHAPTER 923
CAPITAL MATCH REVOLVING LOAN FUND

[Prior to 6/3/87, Transportation Department[820]—(09,B)Ch 4]

761—923.1(71GA,ch265) General information.

923.1(1) *Scope of chapter.* The general assembly appropriated money from the petroleum over-charge fund to the department to be used as a revolving loan fund for transit capital purchases by public transit systems. The revolving loan fund will enable public transit systems to obtain the matching funds required to qualify for capital purchases under federally funded projects. The fund will provide multiyear interest-free loans to public transit systems to allow faster capital acquisitions. Loan recipients shall be required to demonstrate ability to repay the loan from budgeted funds or revenues.

923.1(2) *Information.* Information, requests for assistance, and answers to questions about the preparation and submission of loan requests may be obtained by contacting: Office of Public Transportation, Air and Transit Division, Iowa Department of Transportation, Park Fair Mall, 100 East Euclid Avenue, Suite 7, Des Moines, Iowa 50313; telephone (515)237-3302.

761—923.2(71GA,ch265) Definitions. The definitions in rule 761—920.3(324A), Iowa Administrative Code, for “department,” “public transit system,” and “project” shall also apply to this chapter.

761—923.3(71GA,ch265) System eligibility. A public transit system is eligible to request a capital assistance loan from the revolving loan fund if it complies with all of the following criteria:

923.3(1) It uses a centralized accounting system that maintains primary documentation for all revenue and expenses.

923.3(2) One person is responsible for managing the assets, operations, and funding of the system.

923.3(3) It maintains its policies, routes, schedules, fare structure, and budget in a manner that encourages public review, responsiveness to user concerns, energy conservation, and fiscal solvency.

761—923.4(71GA,ch265) Project eligibility.

923.4(1) A project is eligible if it meets all of the following criteria:

a. It is a transit-related project for a capital purchase, e.g., new or replacement vehicles, facilities, or both.

b. It qualifies for federal funding approval which includes meeting the federal spare vehicle ratio requirement.

c. It meets an identifiable transit need that has been included in the public transit system’s planning or programming document.

d. It is part of a statewide program of transit projects which has been adopted by the transportation commission.

e. The local funding needed for the project justifiably exceeds the public transit system’s annual capital match funding capability.

923.4(2) A project to purchase vans for a vanpool, as defined in Iowa Code subsection 325.1(9), may be submitted by an individual or a group through the appropriate public transit system. A vanpool project is eligible for an interest-free loan from the revolving loan fund only after funds for all other projects have been allocated.

761—923.5(71GA,ch265) Procedure.

923.5(1) *Federal funding request.* The public transit system shall submit an application for federal funding approval of the proposed project to either the air and transit division or to the Federal Transit Administration, as required by the type of funding requested.

923.5(2) *Loan request.* The public transit system shall normally submit a request for a revolving fund loan to the air and transit division when the annual grant application is made, but may submit a

request at any time if a specific need arises. The request shall include, but not be limited to, the following topics and documents:

- a. A description and cost estimate of the proposed project.
- b. An explanation of the benefits, including projected energy conservation benefits, to be gained from the project.
- c. An explanation and justification of need for the loan.
- d. A proposed schedule of when funds will be needed for the project.
- e. A proposed loan repayment plan with schedule and source of funds.

923.5(3) *Criteria for selection.* The air and transit division shall review each loan request and shall evaluate the projects for funding. Based on the following criteria (not listed in order of preference), preference shall be given to projects that:

- a. Foster coordination among transit services, such as a ground transportation center, a joint maintenance facility, or cooperative vehicle usage.
- b. Enhance local or regional economic development, such as a transit mall, passenger shelter facilities, or vehicles for extension of services.
- c. Increase federal funding to the state, such as accelerating purchase of replacement vehicles.
- d. Extend services to the transportation disadvantaged.
- e. Promote energy conservation, such as fuel efficiency.
- f. Require the loan as only a portion of the local matching funds required.

923.5(4) *Approval.* Based on available funds, the air and transit division shall approve loans for projects meeting the criteria in subrule 923.4(1) or shall submit recommended loan projects meeting the criteria in subrule 923.4(2) to the transportation commission for approval. Submission may be on an annual or an individual basis.

923.5(5) *Agreement.* Upon approval by the transportation commission, the air and transit division shall prepare a loan contract and send it to the public transit system for signing. The signed contract shall be returned to the air and transit division for signing by the department.

923.5(6) *Default.* If a public transit system fails to make a loan payment as agreed in the contract, the air and transit division may, at its option, deduct the amount of any loan payment past due from state transit assistance payments allocated to that transit system.

These rules are intended to implement 1985 Iowa Acts, chapter 265.

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